

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 COME-00 TRSE-00 INT-05
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DRAFTED BY EB/ISM: SCHAAS;JAG
APPROVED BY EB/ICD; CANGEVINE
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EB/ISM:WCLENAHAN
EA/EP:RMORFORD (INFO)
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R 192209Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY BONN
AMEMBASSY CANBERRA
AMEMBASSY PARIS
AMEMBASSY TOKYO
INFO AMEMBASSY OTTAWA

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E.O. 11652: N/A

TAGS: EMIN

SUBJECT: POSSIBLE NICKEL DIALOGUE

REF: A) CANBERRA 4744(NOTAL) B) OTTAWA 3502(NOTAL)

1. LETTER TRANSMITTED REFTEL A INVITED THE UNITED STATES
TO PARTICIPATE IN AN INTERNATIONAL WORKING PARTY CONVENED
TO EXAMINE AN AUSTRALIAN PROPOSAL FOR AN INTERNATIONAL
DISCUSSION GROUP FOR NICKEL. THAT LETTER WAS SUBSEQUENT
TO THE APPROACH MADE TO THE DEPARTMENT BY EDWARD WALDRON,
ASSISTANT SECRETARY OF MINISTRY OF TRADE AND RESOURCES,
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ON EXPLORING WITH US THE POSSIBILITY OF A PRODUCER/CONSUMER
FORUM (PCF) FOR NICKEL.

2. WE HAVE REVIEWED THE POSSIBLE USEFULNESS OF A PCF FOR
NICKEL AND HAVE CONSULTED BILATERALLY WITH CANADA. OUR
PRELIMINARY VIEW IS THAT THERE ARE NO COMPELLING REASONS
FOR ESTABLISHING SUCH A CONSULTATIVE BODY FOR NICKEL. IN

COMPARISON WITH OTHER METALS, THE AVAILABILITY OF INFORMATION ON DEVELOPMENTS AND TRENDS IN THE NICKEL MARKET APPEARS AMPLE. THE CURRENT DEPRESSED STATE OF THE INDUSTRY SEEMS TO US TO BE THE RESULT OF INVESTMENT DECISIONS AT THE ENTERPRISE LEVEL. OUR PRELIMINARY ANALYSIS INDICATES THAT INSPITE OF CURRENTLY DEPRESSED PRICES, INVESTMENT IN EX-

PANSION AND NEW NICKEL PROJECTS SEEMS TO BE CONTINUING, PROMISING ADEQUATE SUPPLIES THROUGH THE MID-1980'S. GIVEN THESE VIEWS, IT IS DIFFICULT TO ENVISAGE WHAT ACTIVITIES A PCF FOR NICKEL MIGHT USEFULLY UNDERTAKE. THERE IS ALSO A RISK THAT SUCH A BODY WOULD BE DRAWN INTO CONSIDERATION OF MARKET INTERVENTIONIST MEASURES TO PROP THE PRICE UP ABOVE THE MARKET CLEARING PRICE. WE DO NOT CONCLUDE THAT SUCH INTERVENTION IN THE NICKEL MARKET IS WARRANTED. WITHOUT A MORE SPECIFIC IDEA OF WHAT THE AUSTRALIANS ENVISION FOR THE QUOTE INTERGOVERNMENTAL DISCUSSION GROUP UNQUOTE, WE WOULD BE RELUCTANT TO JOIN IN ANY OPEN-ENDED MULTILATERAL INTERNATIONAL MEETING ON THE SUBJECT.

3. ACTION REQUESTED:

A. FOR CANBERRA: PLEASE MAKE A VERBAL RESPONSE TO THE GOA, DRAWING ON THE POINTS CONTAINED IN PARA 2 ABOVE AS APPROPRIATE.

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B. FOR BONN, PARIS, TOKYO: WE UNDERSTAND THAT THE GOA HAS ACTIVELY BEEN SOLICITING SUPPORT FOR ITS PROPOSAL FROM YOUR HOST GOVERNMENTS BUT HAS MET WITH NON-COMMITAL, UNENTHUSIASTIC RESPONSE. AS APPROPRIATE, PLEASE APPROACH INFORMALLY HOST GOVERNMENT OFFICIALS AND INFORM THEM OF OUR NEGATIVE REACTION TO THE AUSTRALIAN INITIATIVE AND ATTEMPT TO ELICIT SUPPORT FOR OUR POSITION VIS-A-VIS AUSTRALIA. CHRISTOPHER

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: NICKEL
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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ISecure: 1
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Litigation Codes:
Litigation History:
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